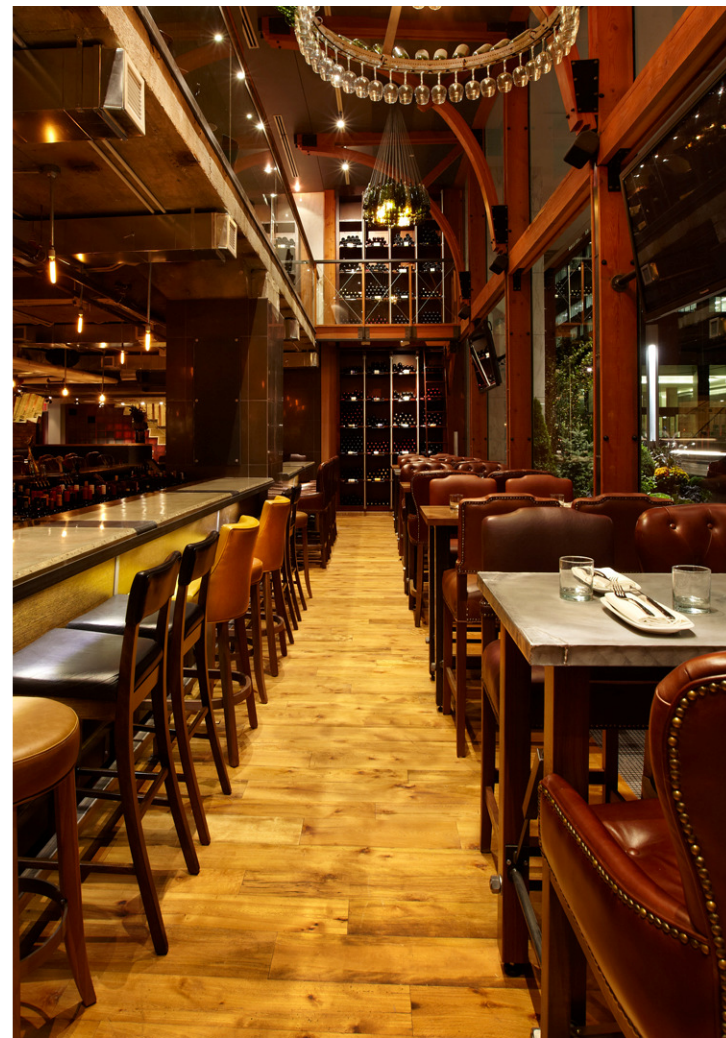


SIR Royalty Income Fund

Investor Presentation (TSX: SRV.UN)



December 16, 2013



Caution Concerning Forward-Looking Statements

Statements in this presentation, including the information set forth as to the future financial or operating performance of the Fund or SIR, that are not current or historical factual statements may constitute “forward-looking” information within the meaning of securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund, the Trust, the Partnership, SIR, the SIR Restaurants, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this presentation, such statements may include, among other language, such words as “may”, “will”, “expect”, “believe”, “plan”, “anticipate”, “intend”, “estimate” and other similar terminology. These statements reflect Management’s current expectations, estimates and projections regarding future events and operating performance and speak only as of the date of this presentation. Readers are cautioned that forward-looking statements are not guarantees of future performance, and should not place undue reliance on them. The Fund and SIR expressly disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations, estimates and projections with regard thereto or any changes in events, conditions or circumstances on which any statement is based, except as expressly required by law.

in formulating the forward-looking statements contained herein, Management has assumed that business conditions affecting SIR’s restaurants and the Fund will continue substantially in the ordinary course, including without limitation with respect to general industry conditions, general levels of economic activity (including in downtown Toronto), regulations (including those regarding employees, food safety, tobacco and alcohol), weather, taxes, foreign exchange rates and interest rates, that there will be no pandemics or other material outbreaks of disease or safety issues affecting humans or animals or food products, and that there will be no unplanned material changes in its facilities, equipment, customer and employee relations, or credit arrangements. These assumptions, although considered reasonable by Management at the time of preparation, may prove to be incorrect. The Fund includes in publicly available documents filed from time to time with securities commissions and The Toronto Stock Exchange, a discussion of the risk factors that can cause anticipated outcomes to differ from actual outcomes. For more information concerning the Fund’s risks and uncertainties, please refer to the March 28, 2013 Annual Information Form which is available under the Fund’s profile at www.sedar.com.

SIR Overview



SIR Corp.

- SIR: 'Service Inspired Restaurants'
- A leading Canadian operator of casual and fine dining restaurants
- Founded in 1990 by Fowler Family
- Employees: ~4,400

SIR Royalty Income Fund

- IPO: October 2004 (TSX: SRV.UN)
- Fully Diluted Market Cap: ~ \$132 mm (Dec. 11, 2013)
- Dec 11, 2013 closing price: \$14.70
- Units outstanding: 6.8 m (basic) / 9.0 m (FD)
- Annualized distribution per unit: \$1.14
- Effective current distribution yield: ~ 7.8%

5-year unit price performance (TSX: SRV.UN)



Concept Restaurants

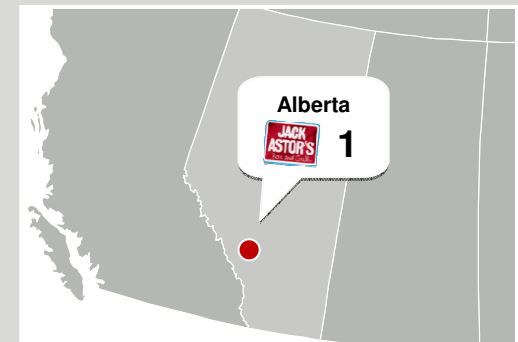
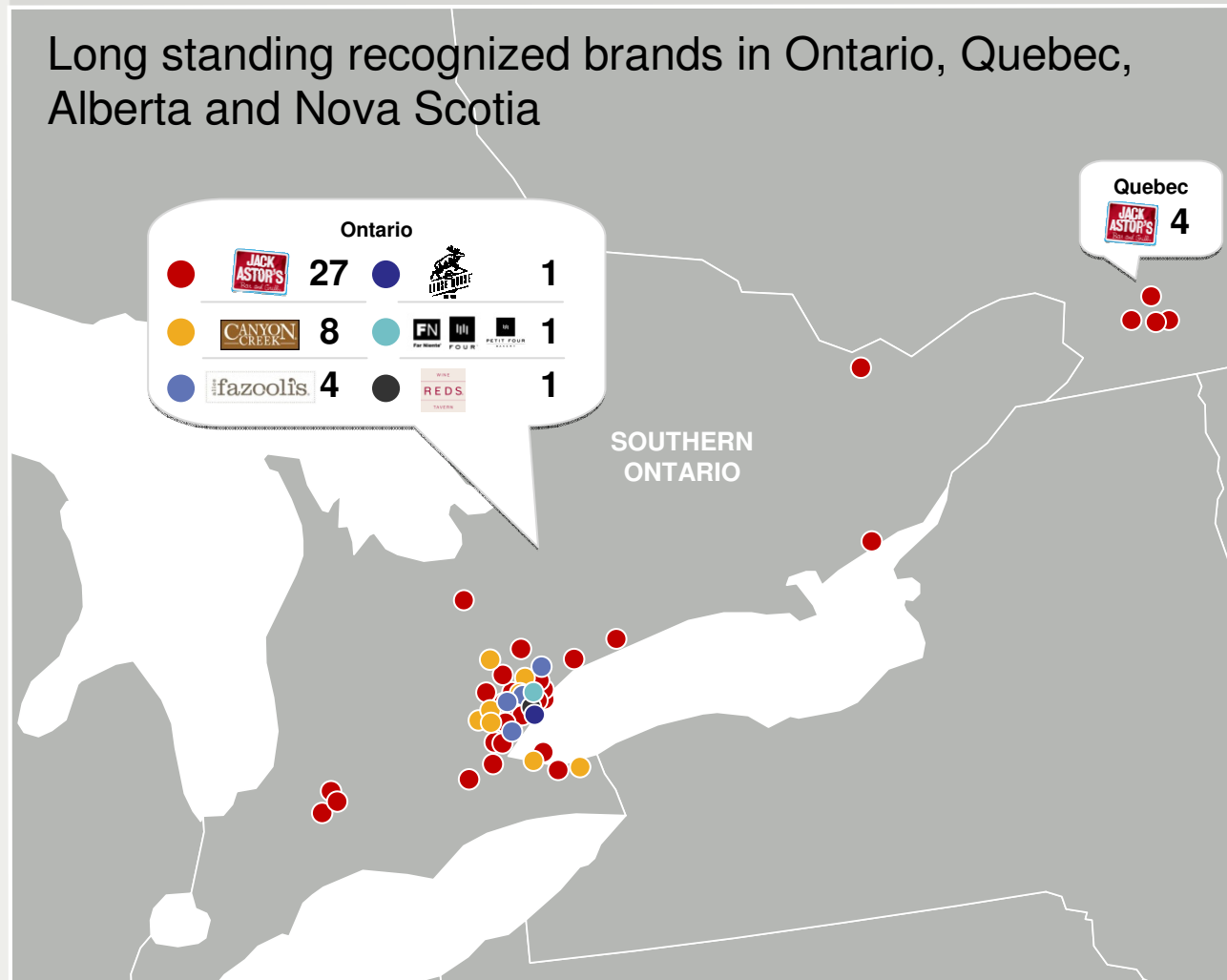


Signature Restaurants



49 Royalty Pooled Restaurant Locations

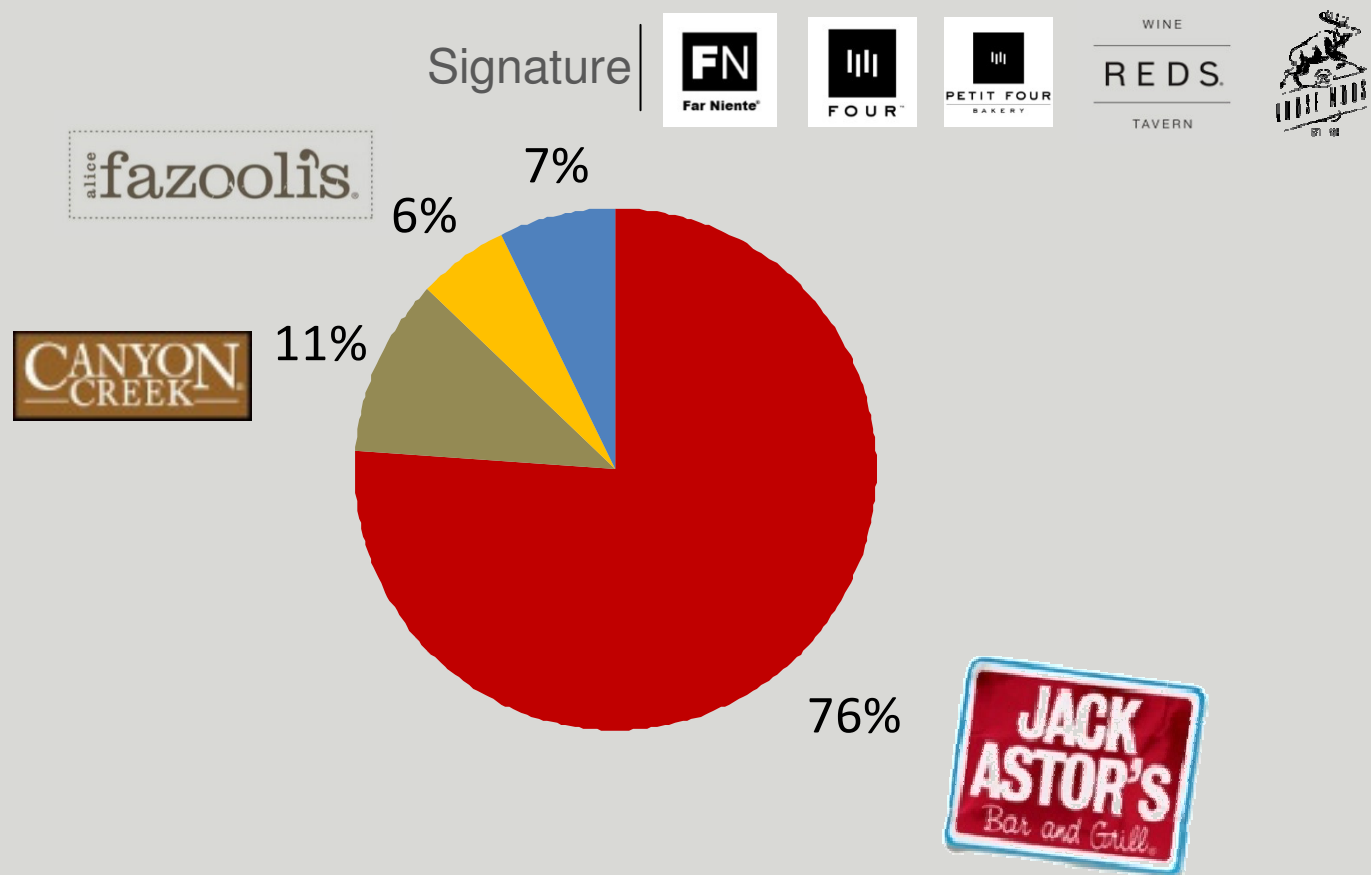
Long standing recognized brands in Ontario, Quebec, Alberta and Nova Scotia



Since January 1, 2013, SIR has opened three new Jack Astor's restaurants and two new Signature restaurants in Ontario, which are expected to be added to the Royalty Pool in January 2014.

Royalty Pooled Restaurants

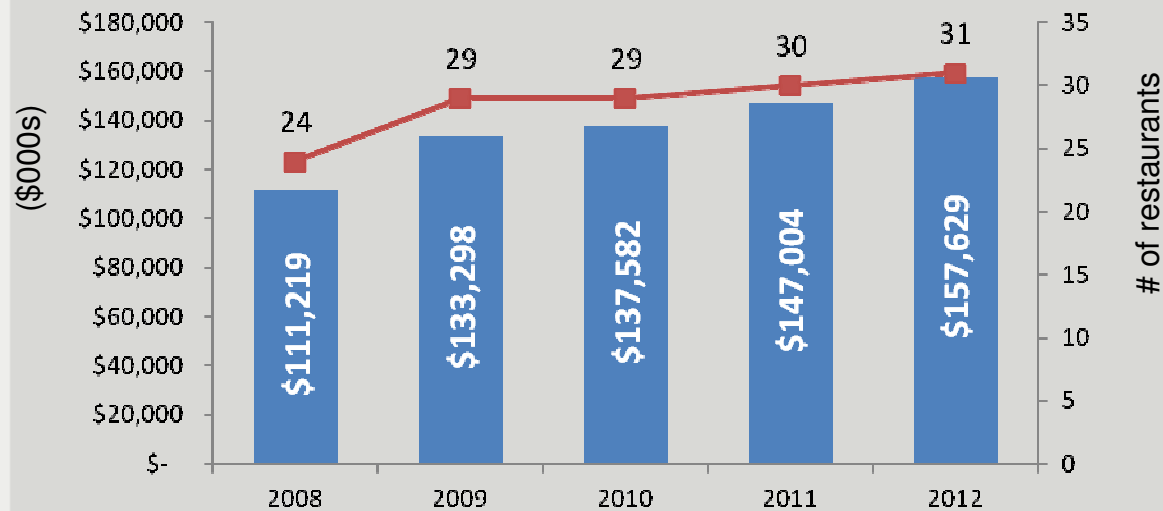
Revenue Contribution (nine months ended September 30, 2013)



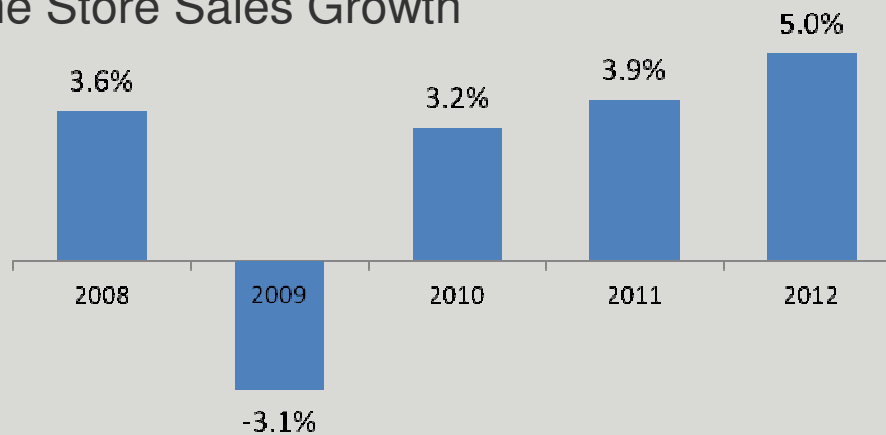
Concept Royalty Pooled Restaurants



Pooled Revenue



Same Store Sales Growth



Consistent Track Record of Investment in New and Existing Locations



Jack Astor's Evolution

- Over the past 9 years, SIR has “evolved” every Jack Astor's in the system

Recent investments

- Renovation and patio upgrades to extend patio season at Jack Astor's Dundas Square
- Renovation of Jack Astor's Don Mills
- Renovation and expansion of patio at Jack Astor's Square One (Mississauga), adding 40 seats
- Renovation of Jack Astor's Newmarket
- Renovation of Jack Astor's Bloor Street
- Renovation of Jack Astor's Square One bar area



Jack Astor's Takes Food Seriously



Creative and engaging food and beverage program

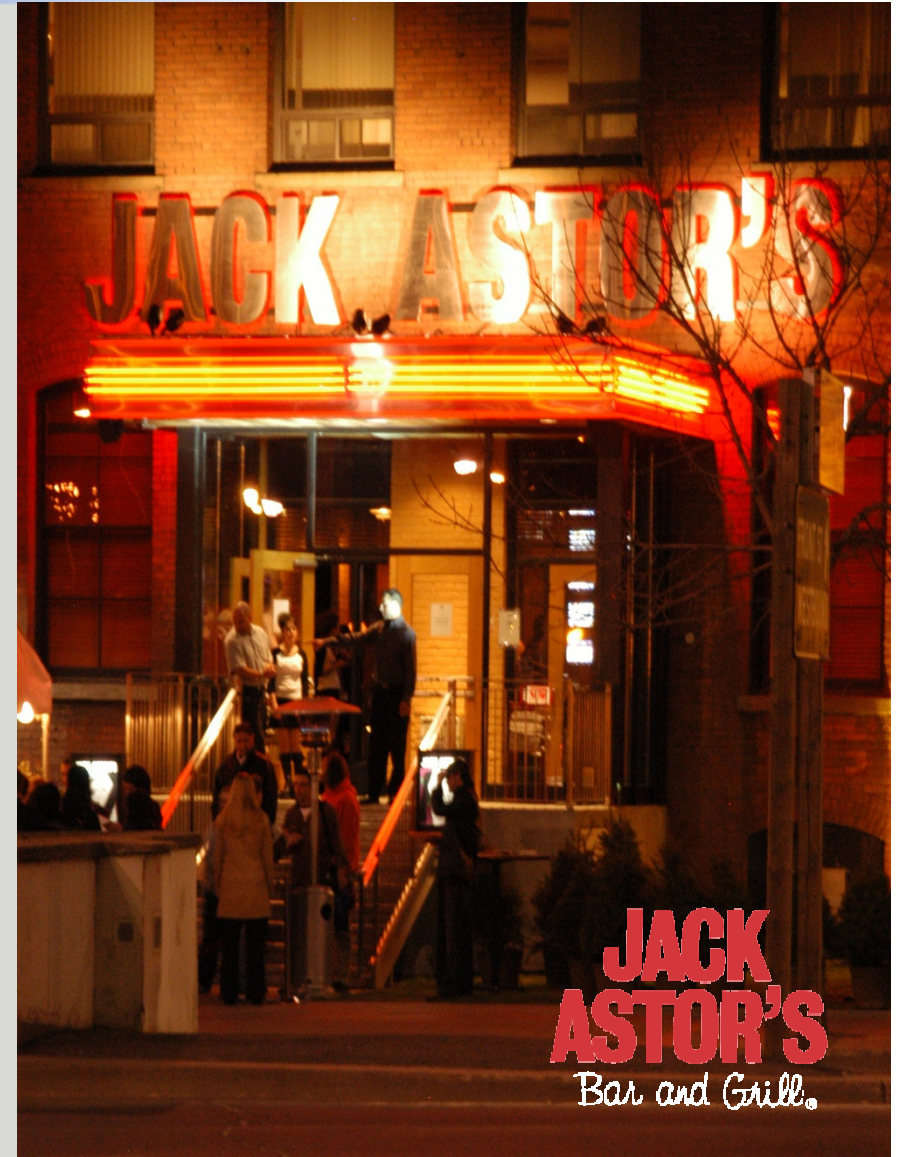
- All food development / ideation goes through a rigorous process to ensure each item delivers on the Jack's experience
- Jack's is dedicated to training our people to ensure we deliver consistently great food
- Recently redesigned our family offerings
- Leverages the talent of all of SIR Corp. chefs in our ongoing program of menu innovation
- Food programs are further leveraged by complimentary beverage features to delight our guests



New Restaurants



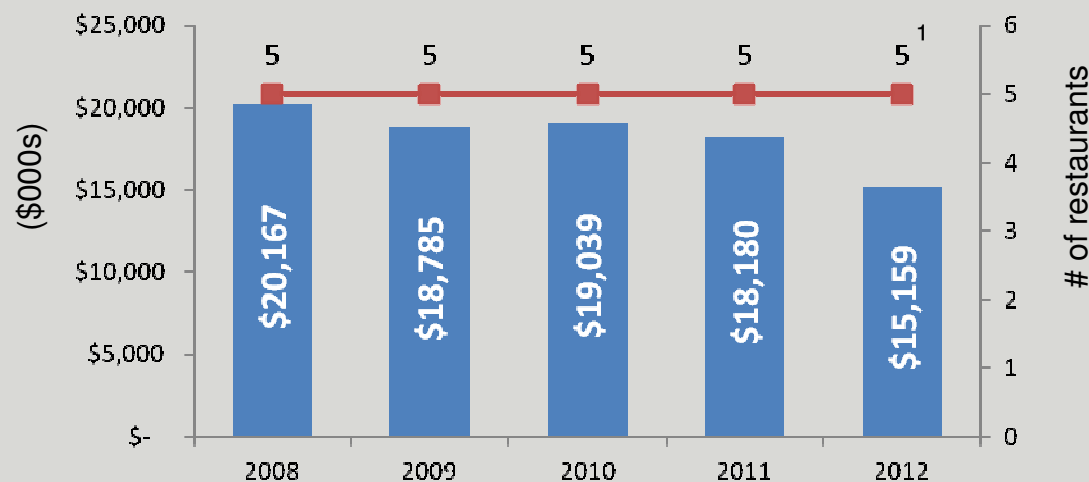
- Kitchener, ON in Q1 2013
- North York, ON in Q2 2013
- Pickering, ON in Q2 2013
- Two new Jack Astor's openings have been announced for Ottawa, ON in 2014 and 2015
- One new Jack Astor's opening has been announced for St. John's, NL.



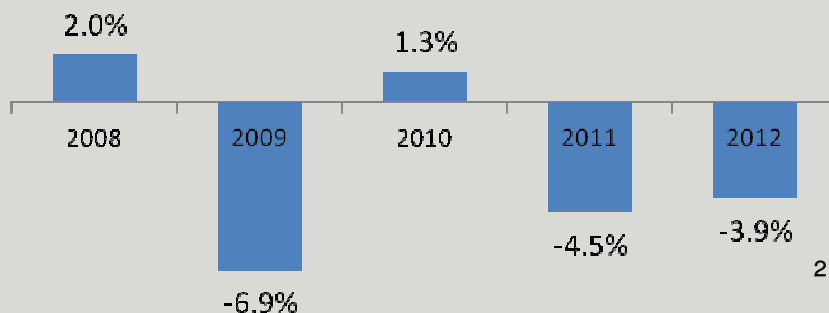
Concept Royalty Pooled Restaurants

alice fazooli's®

Pooled Revenue



Same Store Sales Growth



¹ Alice Fazooli's on Adelaide St. in Toronto was closed during Q1 2012. SIR paid a make whole payment to the Fund to Jan. 1, 2013 (Class A GP units)

² 2012 SSSG excludes the results of Alice Fazooli's on Adelaide St.

Alice Fazooli's Repositioning

INTRODUCING
SCADDABUSH
ITALIAN KITCHEN & BAR™



An exciting new concept inspired by Italian passion and generosity



New Restaurants



- Alice Fazooli's Square One (Mississauga) converted to Scaddabush in July 2013
- Positive early results
- Scaddabush will be one of three new SIR restaurants at Aura Condominium Development in downtown Toronto (Yonge & Gerrard)



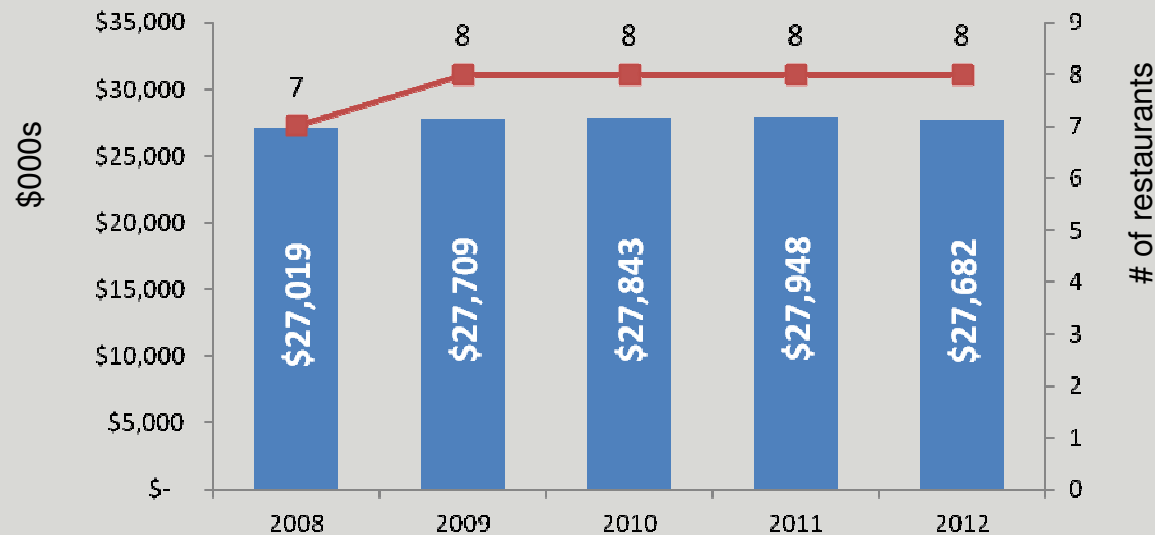
"We're a little of this, a little of that and a whole new take on Italian."



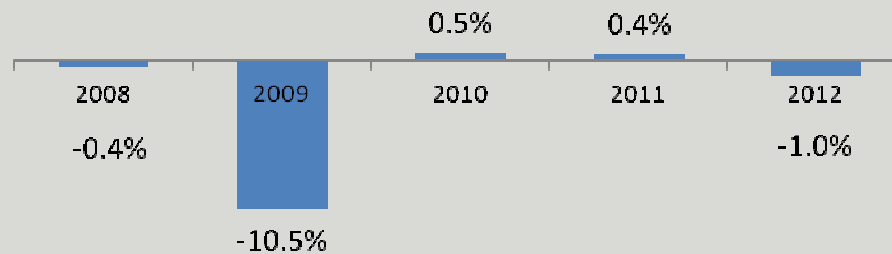
Concept Royalty Pooled Restaurants



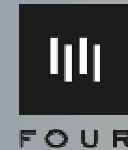
Pooled Revenue



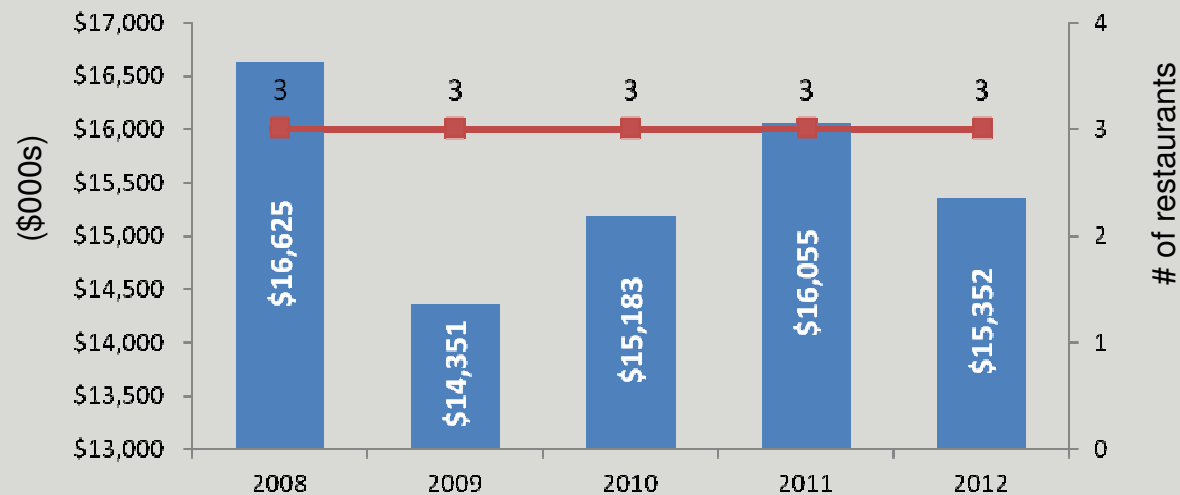
Same Store Sales Growth



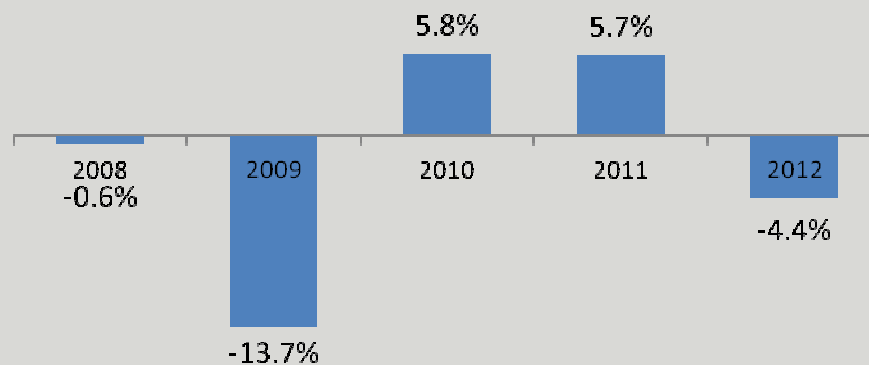
Signature Group Royalty Pooled Restaurants



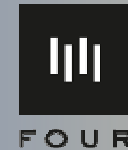
Pooled Revenue



Same Store Sales Growth



Consistent Track Record of Investment



Recent investments

- Major renovation and repositioning of Reds. Reds Wine Tavern reopened on Oct. 4, 2012
- Redevelopment of lower level of the Loose Moose into the “Antler Room”, which opened Dec. 6, 2012
- Major renovation of the Loose Moose was completed with the reopening on Feb. 1, 2013



New Food Innovations



Culinary Leadership and Innovation

- Led by Corporate Executive Chef (Gord Mackie), our Signature restaurants continue to drive industry leading food innovation throughout SIR Corp.
- Balance between innovation and cost
- Focus on nutritional content and “good” calories
- Incubator for creative new menu ideas that find their way into our multi-unit brands



Gord Mackie, Executive Chef



Matt, Reds Midtown

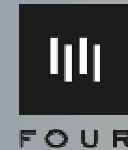


Mike, Reds Adelaide



“Cookie that ate the brownie”

New Signature Brands



Opened Duke's Refresher in the summer of 2011

- Fast casual seasonal restaurant in Muskoka
- Recent refinements and development of full service model to support brand expansion



Opened Abbey's Bake House in the summer of 2012

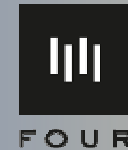
- Seasonal bakery in Muskoka



New concepts allow SIR to perform market tests and menu offerings on a smaller scale

- New concepts can be rolled out
- New menu items can be added to existing brands

New Signature Restaurants



Downtown Toronto Expansion

- Reds Midtown Tavern and Duke's Refresher are two of the three new SIR restaurants at Aura Condominium Development (Yonge & Gerrard)



- Reds Midtown Tavern opened on Oct. 30, 2013
- Duke's opened in December 4, 2013



Corporate Ownership Increases Flexibility

Greater control and the ability to quickly implement operational and growth initiatives in response to customer trends and competitive activity

- Corporate ownership allows SIR to improve overall operations by:
 - Leveraging best practices across restaurant network
 - Coordinate roll-out of new restaurant locations and product offerings
 - Able to better leverage supplier relationships and delivery logistics
- Flexibility to react quickly to changing market dynamics
 - Ability to change restaurant design as needed with minimal lead time
 - Allows for menu innovation; EG: Jack Astor's updates its menu at least twice a year
 - Unlike franchises, business change can be affected without lengthy approvals/negotiations
- Consistent execution of brand value proposition
 - Consistent customer experience at all restaurant locations creates superior brand value

Experienced Management Team with Strong Alignment of Interests

Experienced Management Team



Peter Fowler

- Director of SIR Corp. since 1992
- Served as CEO since 2004 and the largest shareholder of SIR Corp.
 - Helped create SIR Concepts and continues to focus on Concepts
- President of SIR GP Inc. and a trustee of the SIR Royalty Income Fund since 2004



Bruce Elliott

- Joined SIR Corp. in January 2011 as COO and EVP, became the President of Jack Astor's in March 2012, and is now transitioning to Vice President Business Development between now and January 2014.
 - Previously a partner at Level 5 Strategic Brand Advisors, President of Labatt Breweries and held senior management positions at Second Cup



Jeff Good

- CFO of SIR Corp. and SIR GP Inc.
- Has worked with SIR Corp. since 2000
- Helped launch SIR as an Income Fund
 - Has over 20 years experience in Finance and Accounting
 - Previously worked at Oliver Bonacini in Toronto



Paul Bogнар

- Joined SIR Corp. in 2012 as COO and EVP
- Head of Marketing, Human Resources, Finance, IT and Purchasing Departments
 - Previously served as President of Simmons Canada
 - Previously held various positions within Maytag Canada

Board of Trustees of the Fund

Ken Fowler

- President, Ken Fowler Enterprises

Peter Fowler

- CEO and Director of SIR Corp.
- President of SIR GP Inc.

Independent Trustees:

Peter Luit

- Managing Director, CxO Advisory Services Inc.
- Chairman of Audit Committee

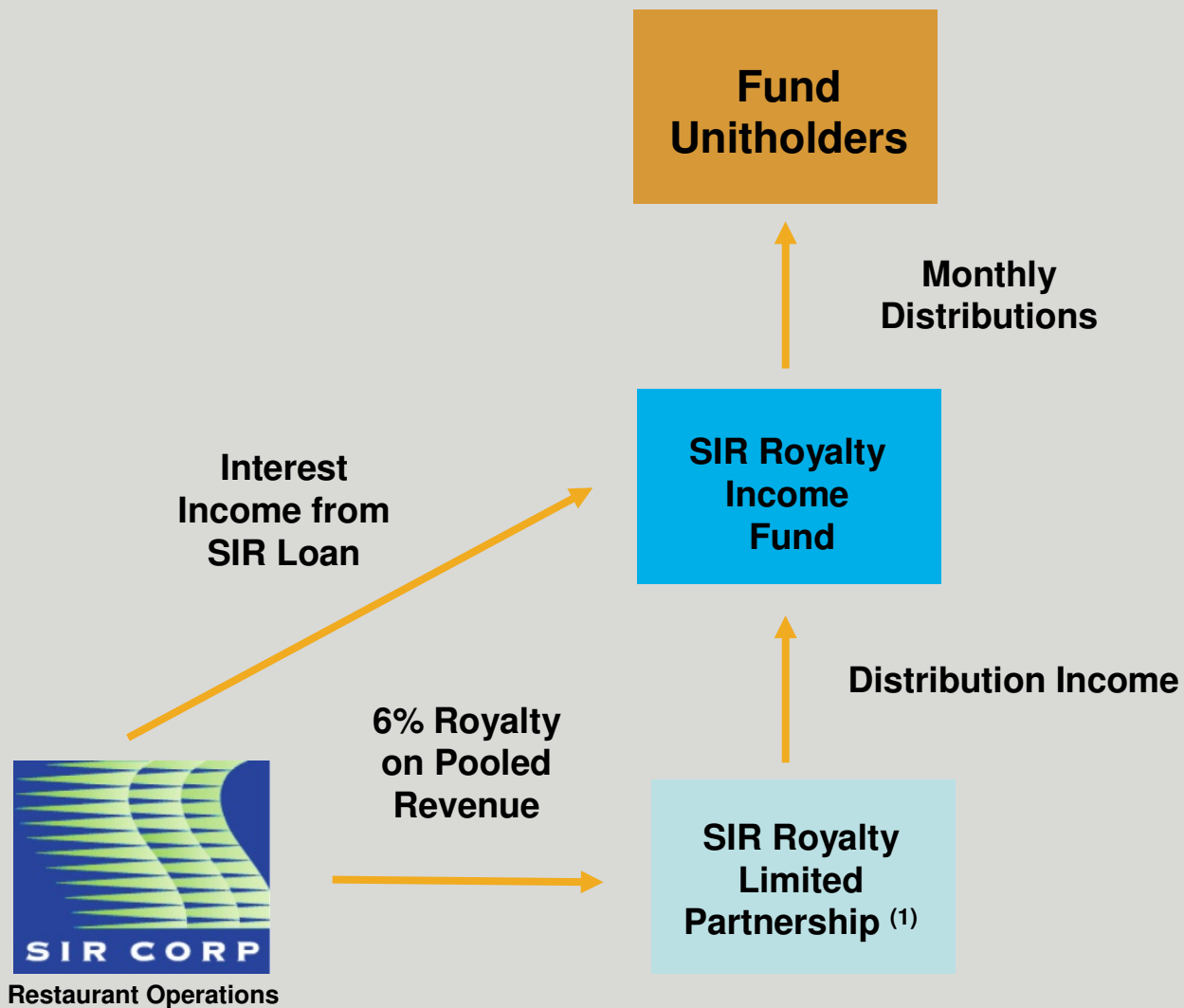
John McLaughlin

- President, Treasury Technologies International
- Chairman of Board of Trustees

William Rogers

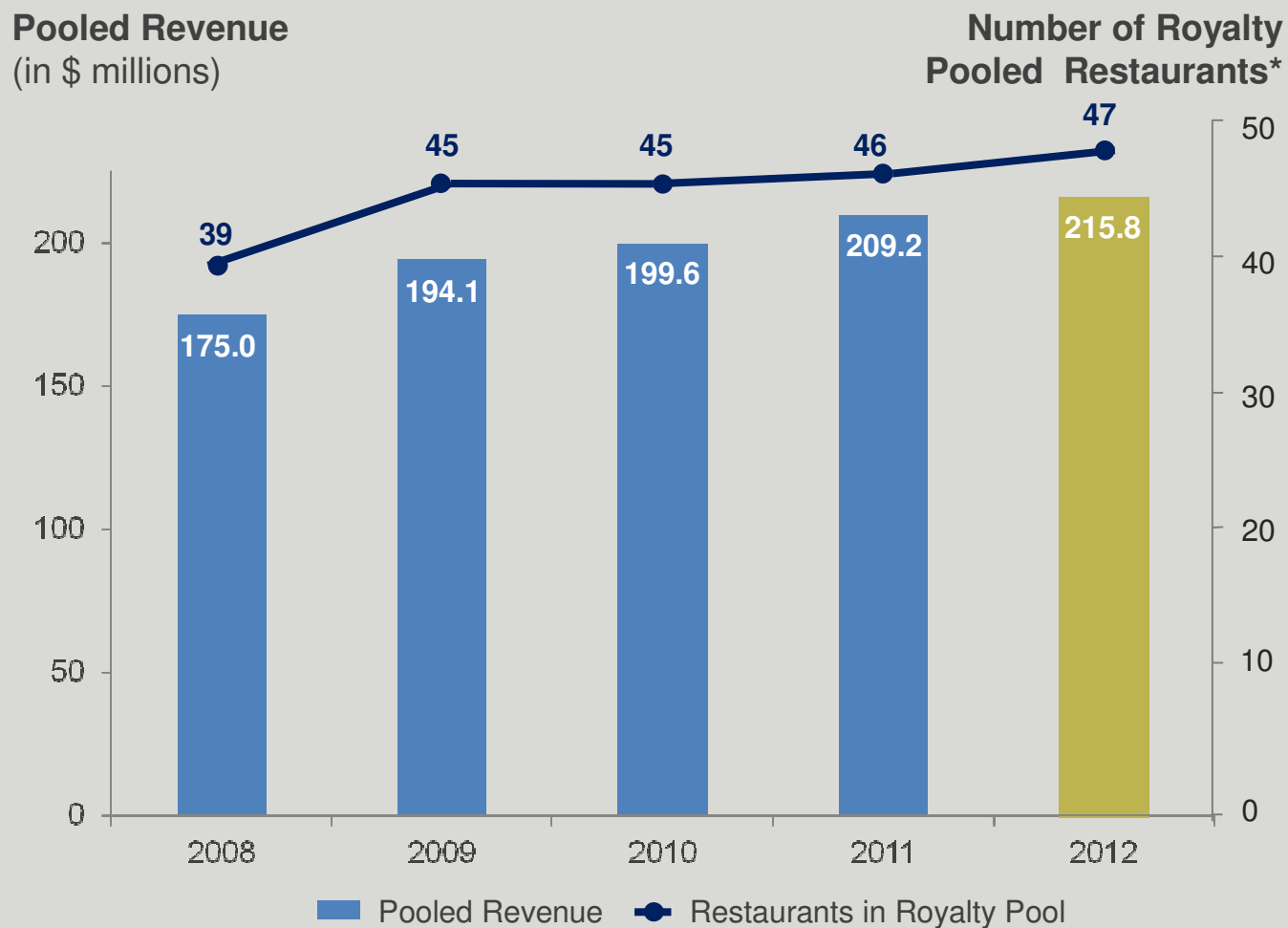
- President, The Commercial Corporation
- Chairman of Corporate Governance Committee

SIR Royalty Income Fund Structure Overview



NOTE: the above illustration is for descriptive purposes only and is qualified in its entirety by the description in the actual agreements and by the Fund's prospectus on SEDAR
1. Before giving affect to the offering, SIR Corp. holds 34.4% retained interest in Limited Partnership.

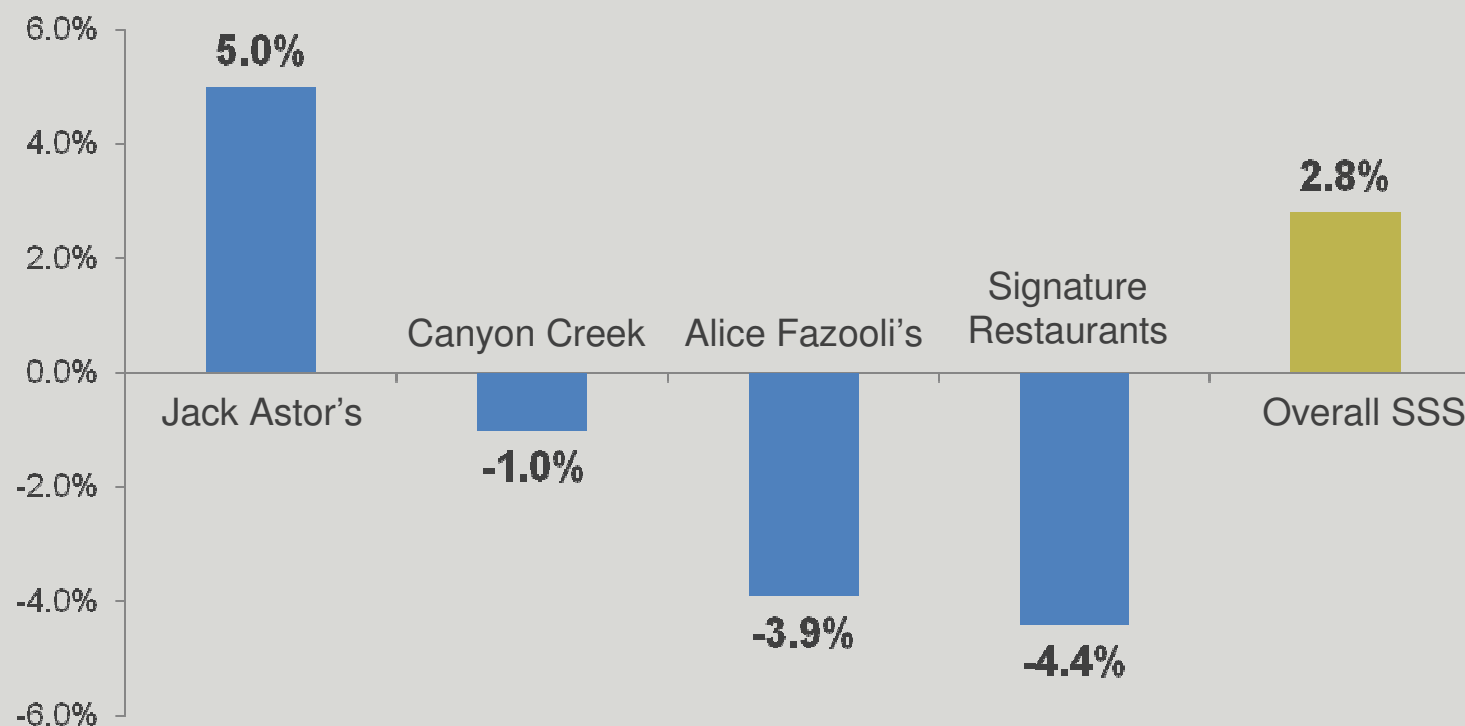
Financial Review



** On January 1, 2013 the number of Royalty Pooled Restaurants increased by two to 49*

Financial Review

Same Store Sales for the 12-month period ended December 31, 2012



Financial Review

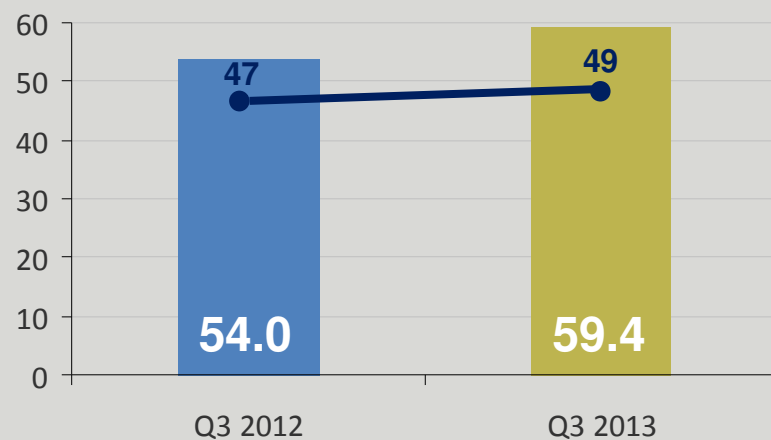
Net Earnings

(in \$ millions)

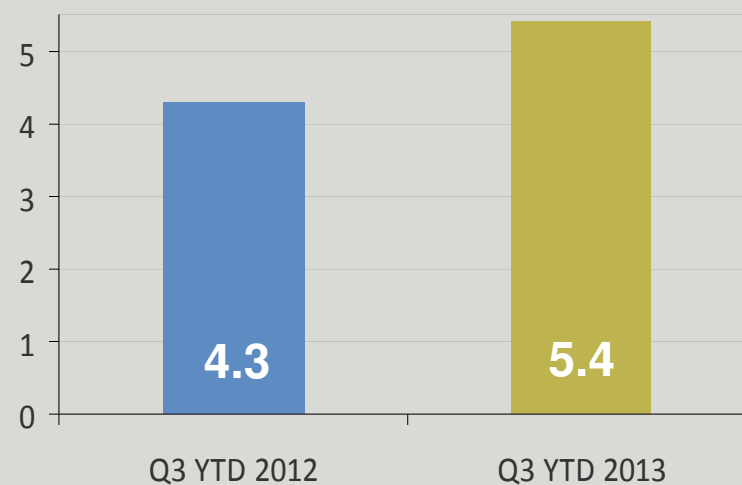
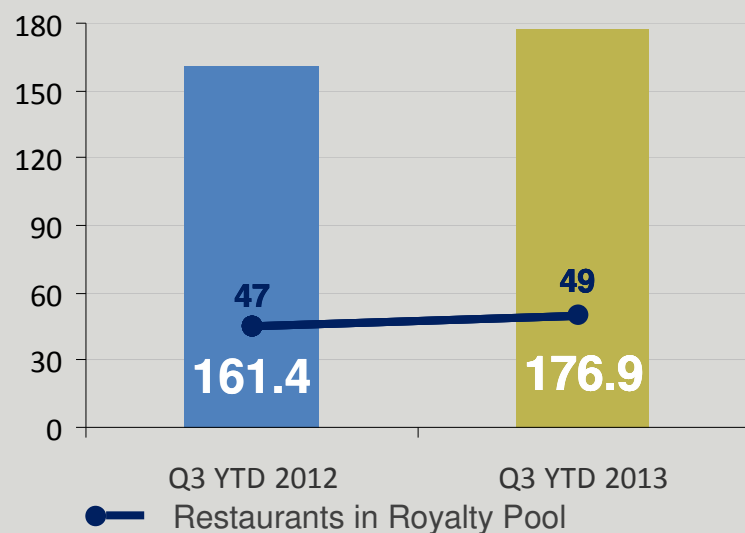
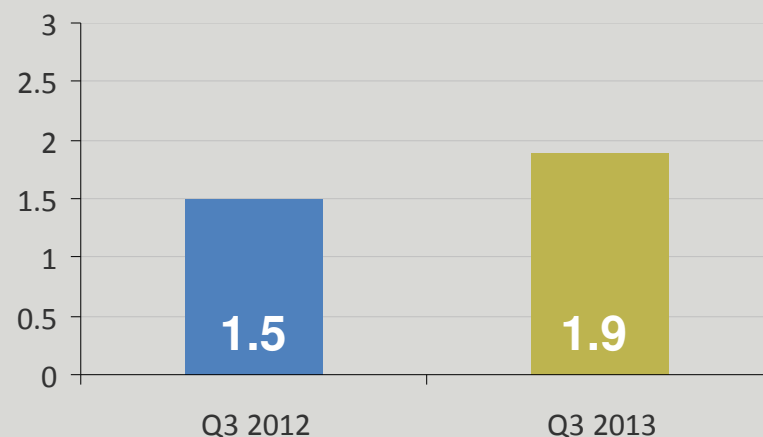


2013 Financial Review

Pooled Revenue (in \$ millions)



Net Earnings (in \$ millions)

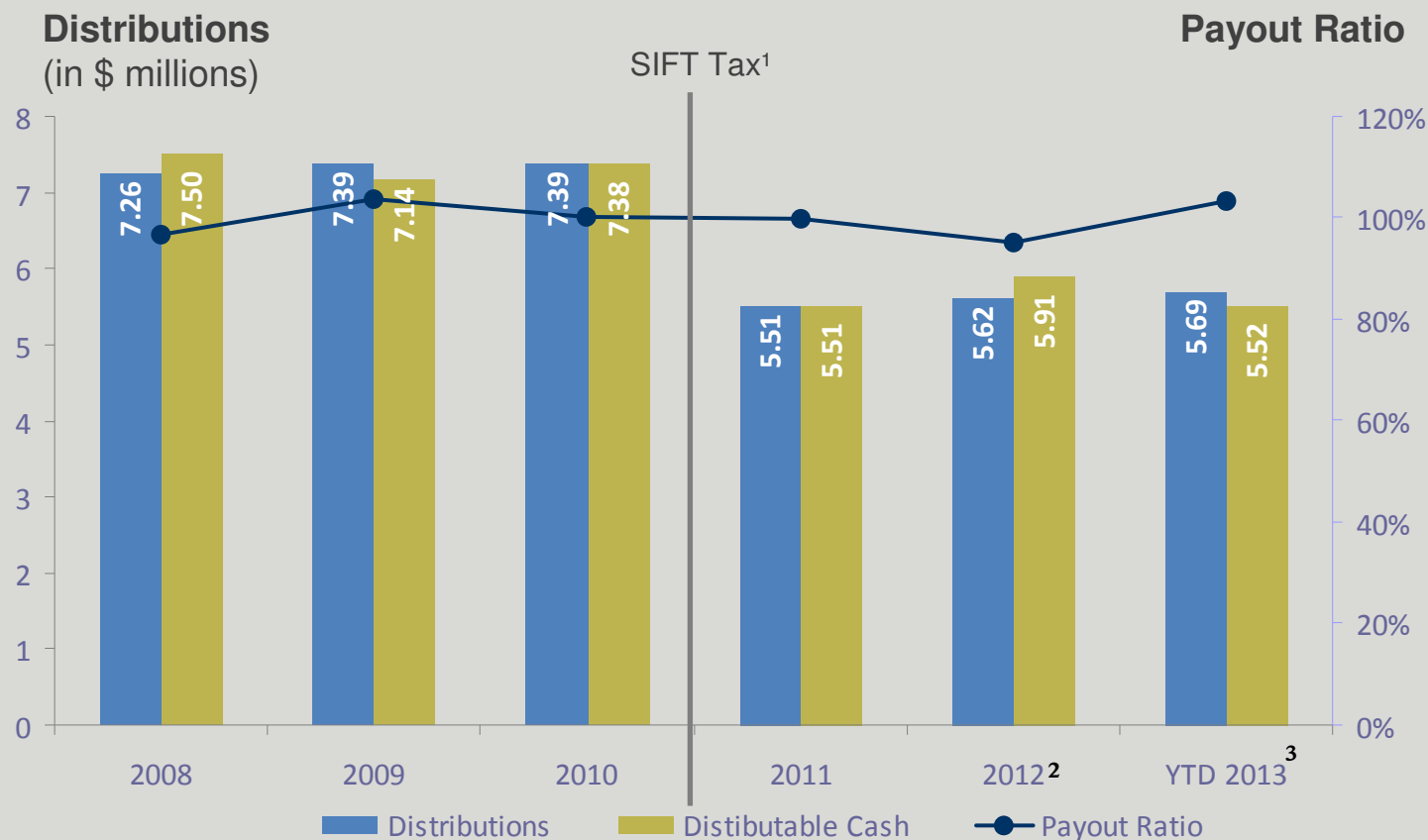


2013 Financial Review

Same Store Sales (SSS) by Segment

	Q3 2013 3-Months Ended 30-Sep-2013	Q3 YTD 2013 9-Months Ended 30-Sep-2013
Jack Astor's	(0.3)%	1.0%
Canyon Creek	(1.1)%	(3.4)%
Alice Fazooli's	(7.4)%	(9.4)%
Signature Restaurants	26.3%	18.2%
Overall SSSG per period	0.6%	0.9%

Payout Ratio



1. The reduction in distributions beginning in 2011 was equal to the estimated SIFT tax payable on the Fund's 2011 income.
2. The Special Year End Distribution of \$0.05/unit to unitholders of record as of December 31, 2012 is not included in the chart above.
3. Cash distributed to unitholders for the nine-month period ended September 30, 2013 includes the special year-end distribution of \$0.05 per unit that was declared in December 2012 and paid on January 11, 2013. The Fund also increased monthly distributions to \$0.95 / unit effective for the June 2013 distribution. The YTD payout ratio was significantly affected by these items.

Recent Fund Unit Offerings

Q4 2012

- The Fund issued 523,900 units in exchange for Class A GP units held by SIR
- SIR sold Fund units via TSX for gross proceeds of **\$6.8 million**
- The Fund converted Class A GP units into Class A LP units, which are entitled to a pro rata share of residual LP income

Q1 2013

- The Fund issued 895,000 units in exchange for Class A GP units held by SIR
- SIR sold Fund units via TSX for gross proceeds of **\$11.0 million**
- The Fund converted Class A GP units into Class A LP units, which are entitled to a pro rata share of residual LP income



SIR to use net proceeds to partially fund renovations to existing restaurants and construction / development costs of new restaurants

SIR Investment Highlight Summary

- Diversified portfolio of well-known brands
- Proven Track Record of Sustained Growth
- Corporate Ownership Model Increases Flexibility
- Consistent Track Record of Investment in New and Existing Locations
- Five distribution increases since inception
- Experienced Management Team with Strong Alignment of Interests

*Focused on being **the best** ...*

... not the biggest

